

United States Senate

WASHINGTON, DC 20510

March 17, 2020

The Honorable Steven Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

The Honorable J. Mark McWatters
Chairman
National Credit Union Administration
1775 Duke St.
Alexandria, VA 22314

The Honorable Jelena McWilliams
Chairman
Federal Deposit Insurance Corporation
550 17th St., NW
Washington, D.C. 20429

The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington, D.C. 20416

Dear Secretary Mnuchin, Chairman McWatters, Chairman McWilliams, and Administrator Carranza:

We commend President Donald Trump and the Administration for taking quick and decisive action to limit the spread of the coronavirus (COVID-19) while keeping a mindful eye on the U.S. economy. Businesses in the United States now face critical challenges over how to protect their employees and continue to serve their customers and communities that they operate in. We write to ask each of you to accelerate administrative action, rule making, and continued guidance regarding your efforts to ensure that obligations to the federal government do not prevent these businesses from responding as rapidly and compassionately as possible in the face of COVID-19.

Businesses and their employees face unique risks and challenges from COVID-19. This is particularly true for small businesses and their employees that are supported by the traveling public, including the hotel, hospitality, sporting event, entertainment and restaurant industries. These small businesses face staggering cash flow and liquidity challenges as travel continues to slow as a result of COVID-19.

Thankfully, there are a number of steps the Administration has already taken and can continue to take that will ease the federal burden on these small businesses. The measures outlined below will further free up liquidity and allow businesses to best manage the current pandemic with the least negative impact on their employees, their customers, and their business. We encourage you to take the following actions as rapidly as possible:

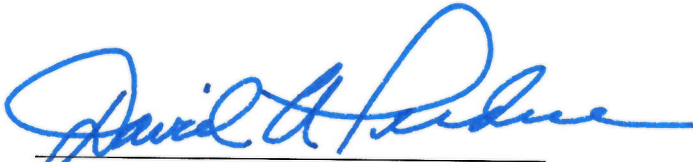
- Remove any unnecessary regulatory barriers to Small Business Administration (SBA) loans;
- Provide increased guidance on SBA loans included in the COVID-19 Emergency Supplemental;

- Allow federal borrowers to enter into loan workouts and restructuring to avoid foreclosure;
- Allow federal borrowers to temporarily defer the principal portion of the monthly payment and make an interest-only payment;
- Stress the need for banking regulators to recalibrate their safety and soundness examinations to ensure that they are not actively discouraging banks from providing loan workouts for businesses impacted by COVID-19.

As each of your agencies takes rapid action in these areas, it will be important to act clearly and decisively to give small U.S. businesses and their ecosystems confidence regarding the government's actions. Actions that are confusing or complicated could make it more difficult for small businesses to make the rapid decisions that are necessary to limit the economic impact of COVID-19.

We thank you for your leadership and look forward to working with you to communicate to small businesses about the decisive actions your agencies take on these items.

Sincerely,



David Perdue
U.S. Senator



Kelly Loeffler
U.S. Senator